

SENATE BILL REPORT

HB 1042

As Reported by Senate Committee On:
Early Learning & K-12 Education, March 28, 2017

Title: An act relating to eliminating the office of the insurance commissioner's school district or educational service district annual report.

Brief Description: Eliminating the office of the insurance commissioner's school district or educational service district annual report.

Sponsors: Representatives Springer, Harris, Jinkins, Fitzgibbon, Tharinger and Sawyer; by request of Insurance Commissioner.

Brief History: Passed House: 3/08/17, 50-47.

Committee Activity: Early Learning & K-12 Education: 3/27/17, 3/28/17 [DP-WM, w/oRec].

Brief Summary of Bill

- Removes the requirement that school districts and their benefit providers annually submit data and reports to the Office of the Insurance Commissioner (OIC) regarding their health insurance benefits.
- Repeals the statute requiring OIC to annually submit a report to the Governor, the Health Care Authority, and the Legislature on school district health insurance benefits.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Zeiger, Chair; Fain, Vice Chair; Rolfes, Ranking Minority Member; Billig, Rivers and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senator Mullet.

Staff: Alia Kennedy (786-7405)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: In 2012, the Legislature required school districts and their benefit providers to annually submit certain health benefit information to OIC, including data on progress toward greater affordability for full family coverage, health care cost savings, reduced administrative costs, and compliance with the requirement to provide a high-deductible health plan option with a health savings account. The school districts and their providers must also submit an overall plan summary containing certain financial, enrollment, and other specified data.

In addition, school districts and their providers must jointly report to OIC on their health insurance-related efforts and achievements to significantly reduce administrative costs for the districts, improve customer service, and protect access to coverage for part-time K-12 employees, among other things. The information provided by the school districts and the benefit providers is exempt from public inspection and copying.

Any school district or benefit provider that does not comply with the health benefit data reporting requirements is subject to enforcement actions by OIC. Similarly, the authority to operate in the state is removed from any individual or joint local government self-insured health and welfare benefits plan formed by a school district that does not comply with data reporting requirements. The Attorney General must take all necessary action to terminate the operation of an out-of-compliance self-insured health and welfare benefits program.

The Legislature also directed OIC to submit annual reports to the Governor, the Health Care Authority (HCA), and the Legislature regarding school district health insurance benefits, based upon the data and reports received from the districts and their benefit providers. Since 2013, OIC has completed and submitted the required reports. According to the most recent report submitted by OIC in November 2016, 100 percent of school districts and their benefit providers had submitted the required information.

Summary of Bill: The provisions requiring school districts and their benefit providers to submit specified health benefit information to OIC is removed from statute. The statutes requiring OIC to submit annual reports to the Governor, HCA, and the Legislature regarding school district health insurance benefits, and pertaining to enforcement actions for non-complying school districts and benefit providers are repealed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill simply eliminates certain reporting requirements. The study has successfully gathered the necessary information per the initial request. There is not a lot of new data being brought forward since the study started three years ago.

Persons Testifying: PRO: Lonnie Johns-Brown, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: CON: Doug Nelson, PSE/SEIU 1948.